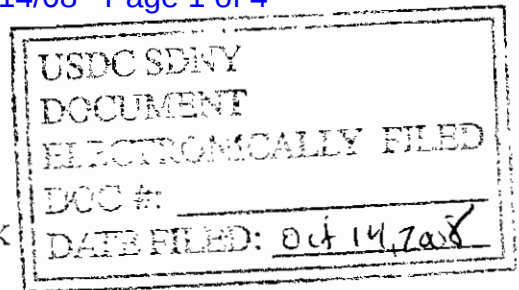


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



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In re LEHMAN BROTHERS HOLDINGS, INC. : Master File No.:
DERIVATIVE LITIGATION. : 07-CV-02990 (DAB/HBP)
-----X

DAB 10/14/08

STIPULATION AND PROPOSED ORDER

WHEREAS Plaintiff Robert L. Garber filed a complaint in the United States District Court for the Southern District of New York on or about April 13, 2007 entitled *Garber ex rel. Lehman Brothers Holdings, Inc. v. Fuld, et al.*, Civil Action No. 07-CV-02990 (the "Garber Action"), which was assigned to Hon. Deborah A. Batts;

WHEREAS Plaintiff Doris Staehr filed a complaint in the United States District Court for the Southern District of New York on or about May 4, 2007 entitled *Staehr ex rel. Lehman Brothers Holdings, Inc. v. Fuld, et al.*, Civil Action No. 07-CV-03562 (the "Staehr Action"), which was also assigned to Hon. Deborah A. Batts as related to the Garber Action;

WHEREAS Plaintiff Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Trust ("International Union") filed a complaint in the United States District Court for the Southern District of New York on or about May 21, 2007 entitled *International Union ex rel. Lehman Brothers Holdings, Inc. v. Fuld, et al.*, Civil Action No. 07-CV-03950 (the "International Union Action"), which was also assigned to Hon. Deborah A. Batts as related to the Garber Action;

WHEREAS on October 3, 2007, Hon. Deborah A. Batts entered an Order (i) consolidating the Garber Action, the Staehr Action and the International Union Action under the caption *In re Lehman Brothers Holdings, Inc. Derivative Litigation*, Civil Action No. 07-CV-2990, (ii) appointing as co-lead plaintiffs Robert L. Garber and Saginaw Police & Fire Pension

Board, and (iii) appointing Scott + Scott LLP and Robbins Umeda & Fink, LLP as co-lead counsel for plaintiffs;

WHEREAS on December 28, 2007, Lead Plaintiffs (as defined below) filed a verified consolidated shareholder derivative complaint (the "Consolidated Complaint");

WHEREAS on January 28, 2008, Hon. Deborah A. Batts entered an Order joining International Brotherhood of Electrical Workers Local No. 38 Pension Fund ("IBEW") as a named plaintiff in this action (IBEW, Robert L. Garber and Saginaw Police & Fire Pension Board collectively referred to as "Lead Plaintiffs");

WHEREAS on March 4, 2008, Nominal Defendant Lehman Brothers Holdings, Inc. ("Lehman") and Defendants Richard S. Fuld, Jr., Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, John D. Macomber, Jeremy Isaacs, Bradley H. Jack, Henry Kaufman, Michael F. McKeever, Dina Merrill, Jeffrey Vanderbeek, Jonathan Beyman, John L. Cecil, David Goldfarb, Joseph M. Gregory, Christopher O'Meara, and Thomas A. Russo (collectively, the "Individual Defendants"), filed motions to dismiss the Consolidated Complaint, which motions were opposed by Lead Plaintiffs on April 21, 2008, and remain *sub judice*;

WHEREAS on September 15, 2008, Lehman filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York;

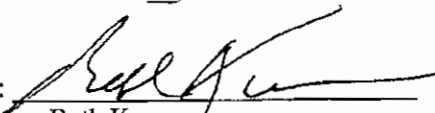
WHEREAS on September 17, 2008, Hon. Deborah A. Batts entered an Order staying this action as against Lehman pursuant to the automatic stay provision of section 362 of the United States Bankruptcy Code; and

WHEREAS on October 3, 2008, Hon. Deborah A. Batts ordered that, pursuant to Rule 20 of the Rules for the Division of Business among District Judges of the Southern District of New York, this case shall be transferred to the suspense docket.

NOW, THEREFORE, it is hereby STIPULATED AND AGREED by and between the undersigned counsel as follows:

1. Lead Plaintiffs agree to voluntarily dismiss this action without prejudice.
2. No party shall seek costs from any other party with regard to this action.
3. The parties jointly request that this action be reassigned from the suspense docket to the Hon. Deborah A. Batts for the sole purpose of entering this stipulation of dismissal.

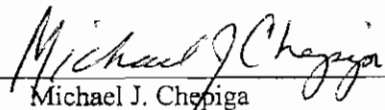
Dated: October 15, 2008

By: 
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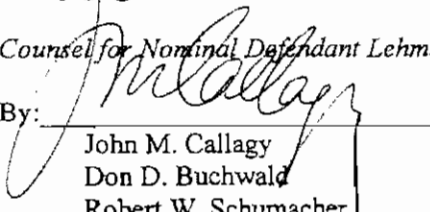
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Counsel for Individual Defendants

IT IS SO ORDERED this th14 day of October, 2008.


HON. DEBORAH A. BATTS
UNITED STATES DISTRICT JUDGE